

Discussion of Current Law Budget
BRIEFING PAPER
Prepared for the
JUNE 2004 TRANSPORTATION COMMISSION MEETING

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Reviewed by: Bill Ford, Budget Chief, Budget Services
Reviewed By: Amy Arnis, Strategic Planning & Programming, Deputy Director
Approved by: Paula Hammond, Chief of Staff

PURPOSE:

The purpose of the agenda item is to discuss and request approval of the department progress in developing the 2005-07 Current Law Operating and Capital Budgets.

ACTION/OUTCOME:

The Transportation Commission will discuss and provide direction for the department to continue developing and communicating the 2005-07 Current Law Budget and associated ten-year financial plan for submittal to the Office of Financial Management (OFM) on or before September 1, 2004.

DISCUSSION:

The 2005-07 Budget Agenda (Attachment A) summarizes the budget discussion for the month of June. The Budget Calendar (Attachment B) schedules the Transportation Commission to review and discuss the 2005-07 Second Draft Budget Book.

2005-07 Budget Development Review and Status Update

OFM accepted the program structure changes approved by the Transportation Commission and submitted in April. The Legislative Evaluation & Accountability Program Committee (LEAP) is scheduled to review the proposal June 17, 2004.

In May, the Transportation Commission was presented the draft 2003-2007 Business Directions (strategic plan) that identifies the department mission, management principles, and 2003-2007 Initiatives (the To-Do List) including various planned activities and performance measurements. The Commission also reviewed the 2005-2007 Pro Forma for the Budget and Ten-Year pro forma displaying funding amounts for each operating and capital program within the limits of available funding from currently enacted taxes, fees and bond authorizations (generally referred to as current law funding). "White Paper" budget proposals were reviewed, including proposals recommended for inclusion in the 2005-07 Current Law Budget and proposals recommended for consideration if additional revenue becomes available. The Transportation Commission approved the progress in developing the 2005-07 Current Law Operating and Capital Budgets and requested that the June Budget discussion include additional information on the budget proposal for review, discussion, and decisions.

Today, the Commission will be asked to approve the current law budget program sizes as well as provide guidance and feedback to the continued development of the 2003-05 Operating and Capital Budget.

Pro Forma Update

The 2005-2007 Budget and Ten-Year pro forma has been adjusted to reflect refinements to the budget requests recommended by the Leadership team and OFM adjustments to the carry forward level. The Pro Forma displays updated funding recommendations for each operating and capital program within the limits of available current law funding. The funding levels for programs displayed in the capital pro forma are generally based on the Legislative Transportation Project List as approved in the 2004 Supplemental Budget. Adjustments to the capital program funding levels include amounts the department will want to specify for certain projects and necessary adjustments to balance to available funds over the next ten-year time period.

As the budget is developed, funding assumptions will be refined to ensure that all accounts supporting the department budget and ten-year plan proposal are balanced. This will include revenue adjustments once the June revenue forecast is available, resizing bond sales assumptions, and resizing capital programs, particularly in subsequent biennia for the 10-year plan, if necessary.

Program Overviews – Budget Book Detail

The 2005-07 Budget Book program detail is updated to include additional and refined information on each operating and capital program, including the budget proposal recommended for funding by the Leadership Team. Program detail includes an overview of the program, information on 2003-05 activities, proposed 2005-07 Budget, 2005-15 Financial Plan, and historical spending/funding trend charts.

Representatives from the programs will present the Commission with:

1. A Program Overview – Program or Service Delivery Activities
2. Current Law Budget Proposal Summary and Details of Leadership Team approved initiatives:
 - Description of the specific 2005-07 request
 - Why the need is a priority
 - Which Business/Strategic Plan element is addressed and how the proposal improves program or project delivery
 - The consequences of not funding the request and why this alternative is recommended as the most beneficial option

RECOMMENDATION:

The department recommends approval of the budget items being proposed for funding in the 2005-07 Current Law Operating and Capital Budgets.

For further information, please contact Bill Ford, Budget Chief, at 705-7500.

Attachment A

Agenda

2005-07 Budget Development

June Transportation Commission Meeting

Three-Hour Presentation

Calendar

Budget Development – Review and Status Update

- Program Structure Change
- Business Plan
- Operating and Capital Budget Detail (“white papers”)
- OFM Carry Forward Approval

Pro Forma Update

Program Overviews - Budget Book Program Detail

Operating Programs

Aviation (F)	John Sibold	5 Min. Program Overview
Public Transportation (V)	Judy Giniger	5 Min. Program Overview & Budget Request
Highway Maintenance (M)	Gummada Murthy Chris Christopher	10 Min. Program Overview & Budget Request
TNB Operations & Maintenance (B)	Linea Laird	10 Min. Program Overview & Budget Request
Local Programs (Z)	Kathleen Davis	5 Min. Program Overview
Traffic Operations (Q)	Gummada Murthy Toby Rickman	5 Min. Program Overview
Transportation Economic Partnerships (K)	Jerry Ellis	5 Min. Program Overview
Rail (Y)	Judy Giniger	10 Min. Program Overview & Budget Request
Ferries Maintenance & Operations (X)	Sam Kuntz	10 Min.

Support Programs

Facilities Maintenance & Operations (D)	Gummada Murthy Fred Debolt Ron Niemi	10 Min. Program Overview & Budget Request
Transportation Management & Support (S)	Rich Ybarra	5 Min. Program Overview
Transportation Planning, Data, & Research (T)	Charlie Howard	5 Min. Program Overview
Information Technology (C)	Rich Ybarra	10 Min. Program Overview & Budget Request
Charges from Other Agencies (U)	Rich Ybarra	5 Min. Program Overview & Budget Request
Program Delivery Management & Support (H)	Cheryl Munday	5 Min. Program Overview & Budget Request

Capital Programs

Local Programs (Z)

Kathleen Davis 10 Min. Program Overview & Budget Request

Rail (Y)

Judy Giniger 10 Min. Program Overview & Budget Request

Traffic Operations (Q)

Gummada Murthy 10 Min. Program Overview & Budget Request
Toby Rickman

Capital Facilities (D)

Gummada Murthy 10 Min. Program Overview & Budget Request
Fred Debolt
Ron Niemi

Ferries Construction (W)

Sam Kuntz 10 Min. Program Overview & Budget Request

Highway Improvements (I)

John Conrad 10 Min. Program Overview & Budget Request

Highway Preservation (P)

John Conrad 10 Min. Program Overview & Budget Request

Attachment B

2005-07 Budget Development Process

